



Disclosures required under Prudential Standard HPS 110 *Capital Adequacy*

Prudential Capital Requirement

The Company must comply with prudential capital requirements to maintain adequate capital against the risks associated with its activities. The new Private Health Insurance Capital Framework came into effect on 1 July 2023 and included a revised HPS 110 *Capital Adequacy* standard.

As required by HPS 110, the Company has a Board-approved Internal Capital Adequacy Assessment Process (ICAAP) which defines its approach to risk and capital management and sets out the target level of capital, which exceeds the minimum regulatory prescribed capital requirement, together with the triggers and actions to follow in the case of an adverse stress event.

The Company's capital management objective is to maintain a strong financial risk profile and capacity to pay all eligible customer benefits, invest in health management programs to support our Members, ensure that the business maintains operating efficiency and effectiveness and to meet financial commitments.

The table below sets out the Company's annual disclosure of its APRA regulatory capital position at 30 June 2024. The Company does not have a General Fund and as such, the Health Benefits Fund, as outlined below, is also the Insurer.

Year Ended 30 June 2024	\$
Net Assets	50,712,857
Regulatory Adjustments	538,325
Common Equity Tier 1 Capital	51,251,182
Additional Tier 1 Capital	0
Tier 2 Capital	0
Capital Base	51,251,182
Insurance Risk Charge	10,078,819
Asset Risk Charge	6,382,515
Operational Risk Charge	1,362,822
Aggregation Benefit	-3,497,910
Prescribed Capital Amount	14,326,246
Capital Adequacy Multiple	3.58